Asian oil market

2984. SHRI V. NARAYANASAMY: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that Asian countries have agreed to work togelher for mutual cross investment to re-inforce trading in oil and gas and associated downstream industries as optimal means of promoting stability, security and sustainability in the Asian oil economy; and

(b) if so, whether any headway has been shown by the Asian countries in this regard?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) Yes, Sir.

(b) The summary of the conclusions of the Ministerial Round Table Conference of North and Central Asian Producers and principal Asian Consumers, which was held on 25-11-2005 in New Delhi, is enclosed as Statement. (See below). This Statement would be put up to the next Round Table for final approval.

Statement

ROUND TABLE OF ASIAN OIL MINISTERS

SUMMARY OF CONCLUSIONS

NEW DELHI, 25 NOVEMBER 2005

Ministers and Heads of Delegation from the principal Asian oil and gas producing countries - the Russian Federation, Kazakhstan, Uzbekistan, Turkmenistan and Azerbaijan - met with the principal Asian oil and gas consuming countries - Japan, the Republic of Korea, China, Turkey and India at the invitation of His Excellency Shri mani Shankar Aiyar, Minister of Petroleum and Natural Gas, India, in New Delhi on 25 November 2005.

Noting the conclusions of the January Round Table which had brought together the principal West Asian and South-east Asian producing countries with principal Asian consuming countries, participants in the November Round Table came to the following broad conclusions:

(i) It was noted that Asia in the 21st century is emerging as the largest single supplier of oil and gas, as well as the fastest growing consumption centres in the world.

(ii) Regional cooperation in the Asian oil and gas economy must be pursued within the framework of global cooperation. In this context, they welcomed the forthcoming assumption by the co-chair of the Round Table, Russia, of the chairmanship of G-8, and expressed the hope that the concerns and views expressed in this Round Table would be factored into G-8 initiatives for Energy, Ecology and efficiency which Russia proposes to undertake. They also welcomed the Russian intention to associate important producers and import-intensive countries, including participants in the Round Table, in the deliberations of the expert groups that are expected to be set up by G-8.

(iii) Participants noted with concern the recent volatility in international oil and gas prices and agreed that stable and reasonable prices would be in the interests of producers and consumers alike to ensure, on the one hand, that the growth prospects of consuming countries are not damaged and, on the other, that investment in producing countries is promoted.

(iv) The need was recognised to study the possibility and feasibility of promoting and developing gas and oil interconnections through LNG and through trans-national oil & gas pipelines within the Asian region for integrating energy markets, as well as improving the transportation infrastructure, In relation to the oil logistics, the Republic of Korea offered to make available crude and product storages. This too would be studied. This study could include the exploration of all alternative linkages by land and sea throughout Asia, including alternatives of linking the Caspian basin to countries in South Asia. To this end, the Indian proposal to initiate such a study, in association with participating countries, in particular the Republic of Korea which has proposed a working group to prepare a master plan, under the overall aegis of the International Energy Forum, was endorsed. The study will also take into account the suggestion made in one of the presentations to the Round Table of the possibility of establishing the proposed Asian Gas Grid Institute.

mi) The Japanese proposal was endorsed to study the possibility of networking the countries of Central, South and East Asia and elsewhere with the Japanese initiative to promote a Sustainable and Flexible Energy System (SAFE).

(vi) The importance of mutual cross-investment to reinforce mutual trade in oil and gas and associated downstream industry was emphasized as the optimal means of promoting stability, security and sustainability in the Asian oil and gas economy. It was emphasized that environment-friendly investment in upstream and downstream projects should be encouraged, that the investment climate should be improved to augment investment in the Asian oil and gas sector, and that Asian investment in Asian properties, including those in the Caspian region, be supported. Initiatives towards this end were welcomed.

(vii) The significance of transparency in access to all relevant data relating to reserves, demand, supply and investment was recognized, and the importance of predictability was emphasized as a key element of stability, security and sustainability in the Asian oil and gas economy, and, indeed, the world over.

(viii) It was agreed that practical steps be taken bilaterally and regionally, as well as globally, for networking the knowledge-base of participating countries in the development of the Asian oil and gas sector and the energy economy in general In this context, the need to move towards the most optimal energy mix for each country and towards new and renewable energy sources was recognised as a priority for the Asian and global economy.

(ix) It was further agreed that cooperation among participants in human resource development and training programmes would contribute an important element to the development of the Asian oil and gas economy.

(x) Asian countries may consider joining hands to undertake joint ventures towards developing modern oil & gas facilities with the latest technology in the upstream and downstream sectors of the oil and gas economy of Asia and elsewhere. Such cooperation may be based on sound considerations of equality and mutual benefit, sincere mutual treatment, and enhanced communication aimed at benefiting all partners in a win-win spirit.

(xi) Participants agreed that this Round Table offers a truly significant opportunity for Energy Ministers of energy-producing and energy-consuming countries in the region. Accordingly, to strengthen business ties, regional cooperation as well as global cooperation, and with a view to strengthening dialogue, cooperation and exchange among each other, participants agreed to meet one every two years and to keep the complementary fraternal Round Table of West and South-east Asian countries informed of their deliberations as also to inform itself of the proceedings of that Round Table. It was also agreed that this Round Table would not be to the detriment of the dialogue in other regional and global fora.

(xii) The Round Table gratefully accepted the kind offer to Turkey to organise, with Azerbaijan as co-chair, the next meeting of the Round Table.

(xiii) It was agreed that this Summary would be put to the next Round Table for final approval.

LPG price in International market

†2985.SHRI RAM JETHMALANI:
DR. MURLI MANOHAR JOSHI:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that the price of LPG is less than that of kerosene oil;

(b) if so, the reaction of Government in this regard;

(c) whether it is also a fact that the selling price of LPG to general consumers in the country is found to be more than the LPG price in the international market; and

(d) if so, the extent to which the above price exceeds on an average?

† Original notice of the question was received in Hindi.